

BEFORE THE PUBLIC EMPLOYEES' RETIREMENT BOARD  
OF THE STATE OF MONTANA

In the matter of the amendment of ) NOTICE OF PUBLIC HEARING ON  
ARM 2.43.304 pertaining to actuarial ) PROPOSED AMENDMENT  
rates and assumptions )

TO: All Concerned Persons

1. On April 9, 2008, at 9:00 a.m., the Montana Public Employee Retirement Administration will hold a public hearing in the board room at 100 North Park Avenue, Suite 200, at Helena, Montana, to consider the proposed amendment of the above-stated rule.

2. The Montana Public Employee Retirement Administration will make reasonable accommodations for persons with disabilities who wish to participate in this rulemaking process or need an alternative accessible format of this notice. If you require an accommodation, contact MPERA no later than 12:00 p.m. on April 1, 2008, to advise us of the nature of the accommodation that you need. Please contact Angela Salvitti, Montana Public Employee Retirement Administration, 100 North Park Avenue, P.O. Box 200131, Suite 200, Helena, Montana, 59620-0131; telephone (406) 444-2578; fax (406) 444-5428; TDD (406) 444-1421; or e-mail [asalvitti@mt.gov](mailto:asalvitti@mt.gov).

3. The rule as proposed to be amended provides as follows, new matter underlined, deleted matter interlined:

2.43.304 ACTUARIAL RATES AND ASSUMPTIONS (1) The actuary will present the actuarial data and recommend the board adopt specific rates and assumptions. The board in its discretion will adopt rates and assumptions and publish them in a board policy. The board adopts and incorporates by reference board policies BOARD Admin 09 and BOARD Admin 10, providing actuarial rates, assumptions, and methods for valuation purposes and actuarial equivalence purposes, respectively, that were approved by the board on February 14, 2008.

(2) ~~The division~~ MPERA shall maintain a historical file of all rates or assumptions, including the current version. The file shall be open and readily available to the public. Copies of the assumptions and board policies BOARD Admin 09 and BOARD Admin 10 may be obtained from MPERA, 100 North Park Avenue, Suite 200, P.O. Box 200131, Helena, MT 59620-0131, phone 1 (877) 275-7372, e-mail [mpera@mt.gov](mailto:mpera@mt.gov).

~~(3) This rule includes at least the following actuarial rates and assumptions:~~

- ~~(a) investment earnings assumption;~~
- ~~(b) salary increase assumptions;~~
- ~~(c) required contribution rates;~~
- ~~(d) asset valuation assumption;~~
- ~~(e) administrative expense assumption;~~
- ~~(f) mortality rates;~~

- ~~(g) disability rates;~~
- ~~(h) retirement rates;~~
- ~~(i) withdrawal rates; and~~
- ~~(j) service purchase rates.~~

~~(4) The board will provide effective dates when adopting the rates and assumptions.~~

AUTH: ~~19-2-403, 19-3-304, 19-5-201, 19-6-201, 19-7-201, 19-8-201, 19-9-201, 19-13-202, MCA~~

IMP: ~~19-3-305, 19-5-201, 19-6-202, 19-7-201, 19-8-202, 19-9-504, 19-13-504, 19-2-405, 19-17-107, MCA~~

STATEMENT OF REASONABLE NECESSITY: The Internal Revenue Service has begun requiring public pension systems to adopt actuarial assumptions, rates, and methods in a manner that gives them the force and effect of law. The IRS requirement is an issue that may affect the qualified status of public pension retirement systems. Adopting the applicable actuarial assumptions, rates, and methods into rule by reference gives them the force and effect of law. This rule amendment is therefore necessary to ensure compliance with the IRS requirements and section 19-2-1010, MCA, which requires the board to administer the various plans in the manner required to maintain their qualified status.

4. Concerned persons may submit their data, views, or arguments either orally or in writing at the hearing. Written data, views, or arguments may also be submitted to: Roxanne M. Minnehan, Montana Public Employee Retirement Administration, 100 North Park Avenue, Suite 200, P.O. Box 200131, Helena, Montana, 59620-0131; fax (406) 444-5428; or e-mail [rminnehan@mt.gov](mailto:rminnehan@mt.gov), and must be received no later than 5:00 p.m., April 10, 2008.

5. Angela Salvitti, Paralegal for the Montana Public Employee Retirement Administration, has been designated to preside over and conduct this hearing.

6. The board maintains a list of interested persons who wish to receive notices of rulemaking actions proposed by this agency. Persons who wish to have their name added to the list shall make a written request that includes the name and mailing address of the person to receive notices and specifies for which program the person wishes to receive notices. Such written request may be mailed or delivered to the contact person in paragraph 2 above or may be made by completing a request form at any rules hearing held by the board.

7. An electronic copy of this Notice of Proposed Amendment is available through the Montana Public Employee Retirement Administration web site at <http://www.mpera.mt.gov/rules.asp>. The Montana Public Employee Retirement Administration strives to make the electronic copy of the Notice conform to the official version of the Notice, as printed in the Montana Administrative Register, but advises all concerned persons that in the event of a discrepancy between the official printed text of the notice and the electronic version of the notice, only the official

printed text will be considered. In addition, although the Montana Public Employee Retirement Administration works to keep its web site accessible at all times, concerned persons should be aware that the web site may be unavailable during some periods, due to system maintenance or technical problems.

8. The bill sponsor notice requirements of 2-4-302, MCA, do not apply.

/s/ Melanie Symons  
Melanie Symons, Legal Counsel and  
Rule Reviewer

/s/ Jay Klawon  
Jay Klawon, President  
Public Employees' Retirement Board

/s/ Denise Pizzini  
Denise Pizzini  
Chief Rule Legal Counsel and  
Rule Reviewer

Certified to the Secretary of State March 3, 2008.